

June 2002 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>June 2002</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$119,657,352	\$1,664,772,154
Percent Change	(34.1%)	(12.6%)
Corporate Income Tax		
Net Collections	\$62,319,659	\$346,280,396
Percent Change	(7.5%)	(36.0%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$249,734,711	\$2,972,274,262
Change	(1.0%)	(0.4%)
Total Big Three Tax Types		
Net Collections	\$431,711,722	\$4,983,326,812
Percent Change	(13.9%)	(8.2%)

TAX FACTS

June 2002

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	June 2002	June 2001	% Change
Gross Collections	\$65,416,280	\$80,393,624	(18.6)
Withholding	172,012,537	194,756,880	(11.7)
Refunds	(82,615,084)	(60,626,514)	36.3
Urban Revenue Sharing	(35,156,381)	(33,037,720)	6.4
Net Collections	\$119,657,352	\$181,486,270	(34.1)
	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$689,703,076	\$848,405,637	(18.7)
Withholding	2,306,965,207	2,360,635,399	(2.3)
Refunds	(910,019,556)	(908,289,047)	0.2
Urban Revenue Sharing	(421,876,573)	(396,452,640)	6.4
Net Collections	\$1,664,772,154	\$1,904,299,349	(12.6)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. In June \$609,447 in alternative fuel vehicle credits were processed. After offsetting \$92,895 in tax liability, refunds for this credit totaled \$516,552. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit. Additional refunds were paid out of corporate income tax.

Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	30,593	1,378,655	63,066	98,756	6	34,987	279,321	14,559	197,383	2,404	33	2,099,763
%	1.5	65.7	3.0	4.7	0.0	1.7	13.3	0.7	9.4	0.1	0.0	

The 2,099,763 returns filed through June 2002 compares to 2,040,100 returns filed during the same period of time in 2001 for an annual increase of 2.9%. This count represents multiple tax years. For tax year 2001 filed in 2002, 2,026,072 returns have been filed, this represents a 2.1% increase from 2000 returns filed in 2001 during the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 1,433,627 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 1.9% decrease in FAGI and a 7.8% decrease in tax liability. More specifically, 42.3% of these filers experienced a decrease in tax liability; on average a decrease of 43.3% with a

corresponding average decrease in FAGI of 24.9%. Filers showing an increase in tax liability totaled 675,266 or 47.1%, with an average FAGI increase of 26.0% and an average tax liability increase of 45.6%.

Average Individual Income Tax Refund

Beginning with calendar year 2001 taxpayers who chose to file their returns electronically were given the option to direct deposit their refund. The figures shown below includes direct deposits.

	Average	Number
2002 CYTD	\$565.46	1,441,311
2001 CYTD	\$623.80	1,278,586
% Change	(9.4%)	12.7%

"New" Filers in Calendar Year 2002

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 222,740 "new" returns have been filed thus far in 2002, representing approximately 269,677 persons, not including dependents. The average Federal Adjusted Gross Income for these 222,740 returns is \$19,215, with an average tax liability of \$301. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 20.1% had a married filing joint filing status, 7.9% claimed a 65 And Over Exemption and 34.3% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. A total additional \$63.8 million in estimated payments was received as refunds on the 1999 tax returns applied to 2000 estimates, for an average of \$1,744. Estimated payments received through June 2002 for tax year 2001 were as follows:

06/02	140ES payment	\$328,036	Cumulative	\$336,028,888
06/01	140ES payment	\$431,020	Cumulative	\$366,049,968
	Percent change	(23.9%)		(8.2%)
06/02	Average payment	\$2,360	Cumulative	\$1,477
06/01	Average payment	\$764	Cumulative	\$1,618
	Percent change	208.9%		(8.7%)
06/02	Applied refund	\$90,826	Cumulative	\$67,025,522
06/01	Applied refund	\$203,786	Cumulative	\$63,381,088
	Percent change	(55.4%)		5.8%
Total 06/02		\$418,861	Cumulative	\$403,054,410
Total 06/01		\$634,807	Cumulative	\$429,431,056
	Percent change	(34.0%)		(6.1%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2001, which shows a growth rate of 3.5% in withholding payments over the second quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 2001	4.7%	1 st Quarter 2002	(3.2%)
4 th Quarter 2001	(0.2%)	2 nd Quarter 2002	(3.6%)

The comparisons made above were against the same number of months of collections in the previous year. In other words, the ninth month of information available for the fourth quarter of 2001 was compared against the ninth month of collections for the fourth quarter of 2000. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	14,723	\$4,861,928	\$330.23
Calendar Year 2001	14,315	\$4,564,309	\$318.85
% Change	2.9%	6.5%	3.6%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 2001, filed in 2002 and later, these options are available.

	June 2002	Calendar Year Total
Check Off	262,934	\$3,095,516
Voluntary Donation	8,013	\$49,032
Number of Returns	35,895	427,419

Contributions on the Individual Income Tax Return

Through June 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,338	\$171,873	\$16.63
Child Abuse	11,871	\$201,633	\$17.00
Special Olympics	5,271	\$77,922	\$14.78
Neighbors Helping	3,228	\$38,346	\$11.88
AID to Education	485	\$35,980	\$74.19
Domestic Violence Shelter	8,282	\$141,866	\$17.13
Democratic Party	712	\$14,488	\$20.35
Republican Party	544	\$13,107	\$24.09
Libertarian Party	96	\$2,067	\$21.53
Reform Party	9	\$92	\$10.22
Green Party	160	\$2,497	\$15.61
Natural Law	11	\$180	\$16.36

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	June 2002	June 2001	% Change
Gross Collections	\$65,217,688	\$73,780,144	(11.6%)
Refunds	(\$2,898,029)	(\$6,383,086)	(54.6%)
Net Collections	\$62,319,659	\$67,397,058	(7.5%)

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$509,860,467	\$677,110,776	(24.7%)
Refunds	(\$163,580,071)	(\$135,937,181)	20.3%
Net Collections	\$346,280,396	\$541,173,595	(36.0%)

Included in the refund amounts shown above are refunds for the alternative fuel vehicle credit program. In June, \$73,900 in corporate alternative fuel vehicle refunds was paid out; for the fiscal year, the total is \$7.4 million.

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

June 2002	\$59,706,845	Calendar Year Total	\$165,568,740
June 2001	\$64,789,988	Calendar Year Total	\$198,400,091
% Change	(7.8%)	% Change	(16.5%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for June 2002 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
June 2002	442	57	69	8	6	0	582	(17.2%)
June 2001	538	65	84	10	6	0	703	
CY 2002	1,365	159	167	32	19	0	1,742	(13.6%)
CY 2001	1,567	183	207	37	22	0	2,016	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 9.7% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	96 & Prior	97	98	99	00	01
FY 00/01	12.5%	5.9%	3.0%	65.0%	13.4%	0.1%
Corporate Fiscal Year-End:	97 & Prior	96	99	00	01	02
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

June 2002	\$9,610,130	Calendar Year Total	\$55,294,824
June 2001	\$5,850,703	Calendar Year Total	\$27,135,658
% Change	(64.3%)	% Change	103.8%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through June 2002, 66,492 documents have been received for a fiscal year-end of 2001, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	108	23,012	34,814	174	8,284
%	0.2	34.6	52.3	0.3	12.6

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through June 2001, the Arizona Department of Revenue received 64,493 documents with a fiscal year-end of 2000. This represents a 3.1% increase in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2001/02 is based on net income tax collections in Fiscal Year 1999/2000. Amounts returned for June 2002 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	June 2002	June 2001	% change
Distribution Base	\$104,373,207	\$106,971,964	(2.4)
Non shared	198,919,696	202,418,556	(1.7)
Use Tax	14,816,695	13,087,256	13.2
Education Tax	36,823,242	100,682	N/A
Other Revenues	42,965,355	42,418,831	1.3
Total Collections	\$397,898,195	\$364,997,290	9.0

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Distribution Base	\$1,246,773,262	\$1,248,485,639	(0.1)
Non shared	2,379,509,616	2,356,788,664	1.0
Use Tax	162,751,987	196,887,927	(17.3)
Education Tax	439,004,543	100,682	N/A
Other Revenues	515,545,033	482,056,609	6.9
Total Collections	\$4,743,584,441	\$4,284,319,522	10.7

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	June 2002	June 2001	% change
Retained by State	\$249,734,711	\$252,344,540	(1.0)
Returned to Counties	42,281,586	43,368,915	(2.5)
Returned to Cities	26,093,302	26,764,321	(2.5)
Education Tax	36,823,242	100,682	N/A
Other	42,965,354	42,418,831	1.3
Total Collections	\$397,898,195	\$364,997,290	9.0

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Retained by State	\$2,972,274,262	\$2,982,824,755	(0.4)
Returned to Counties	505,067,501	506,661,075	(0.3)
Returned to Cities	311,693,101	312,676,402	(0.3)
Education Tax	439,004,543	100,682	N/A
Other	515,545,032	482,056,609	6.9
Total Collections	\$4,743,584,441	\$4,284,319,522	10.7

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	June 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$443,301	62.3	\$2,878,360	(33.0)
Non-Metal Mining/Oil & Gas	3.125%	624,885	(7.6)	6,509,688	(7.3)
Utilities	5.6%	22,220,595	(4.6)	295,963,657	1.8
Communications	5.6%	12,808,676	15.4	147,284,070	2.6
Railroads/Aircraft	5.6%	149,579	(3.8)	1,939,445	(26.5)
Private Car/Pipelines	5.6%	98,583	312.3	356,709	(53.9)
Publishing	5.6%	478,421	(7.8)	4,142,161	(33.4)
Printing	5.6%	1,370,196	(16.8)	17,557,098	(12.9)
Restaurants/Bars	5.6%	27,894,490	0.7	321,435,617	2.0
Amusements	5.6%	3,291,206	0.1	37,190,018	(2.2)
Commercial Lease	0%	72,595	95.4	574,514	(85.2)
Rental of Personal Property	5.6%	15,307,671	(0.7)	180,375,941	(1.4)
Contracting	3.75% - 5.6%	50,498,180	(1.3)	591,029,823	5.1
Feed Wholesale	Repealed	(555)	117.6	(8,471)	N/A
Retail	5.6%	159,645,709	(3.3)	1,921,642,999	0.4
Mining Severance	2.5%	(81,321)	N/A	(106,591)	N/A
Timber Severance	\$2.13/\$1.51 per 1000 board ft	0	N/A	13,785	N/A
Hotel/Motel	5.5%	7,573,489	(8.2)	91,286,854	(113)
Membership Camping	5.6%	10,720	96.2	137,057	13.3
Use/Use Inventory	5.6%	14,816,695	13.2	162,751,987	(17.3)
Rental Occupancy Tax	3.0%	19,607	44.9	179,029	21.9
Jet Fuel Tax	\$.0305/\$.0105 gal	837,069	58.4	5,647,634	(3.8)
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	505,494	(9.7)	6,395,057	16.0
Poison Control Fund	----	186,964	(9.7)	2,365,295	16.0
911 Wireline/Excise *	\$0.37 monthly per activated service	1,222,486	28.8	14,998,348	63.0
911 Wireless Service *	\$0.37 monthly per activated service	690,812	248.1	6,928,990	224.4
Agriculture Equipment	0%	0	N/A	21,064	73.7
Total		\$320,685,549	(1.2)	3,819,490,138	(0.1)

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

* Effective July 1, 2001, the 911 taxes have changed. What was formerly called 911 Excise tax at 1.25% is now 911 Wireline at \$0.37 per month for each activated service. Additionally, 911 Wireless Service has also been changed from \$0.10 per month for each activated service to \$0.37.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	June 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$8,866,015	62.3	\$57,567,191	(33.0)
Non-Metal Mining/Oil & Gas	19,996,316	(7.6)	208,310,010	(7.3)
Utilities	444,411,907	(4.6)	5,919,273,137	1.8
Communications	256,173,730	15.4	2,945,681,407	2.6
Railroads/Aircraft	2,991,583	(3.8)	38,788,894	(26.5)
Private Car/Pipelines	1,971,657	312.3	7,134,188	(53.9)
Publishing	9,568,416	(7.8)	82,843,214	(33.4)
Printing	27,403,915	(16.8)	351,141,960	(12.9)
Restaurants/Bars	557,889,805	0.7	6,428,712,331	2.0
Amusements	65,824,119	0.1	743,800,365	(2.2)
Commercial Lease	7,190,314	201.4	36,912,605	(79.8)
Rental of Personal Property	306,153,413	(0.7)	3,607,518,815	(1.4)
Contracting	1,009,963,607	(1.3)	11,820,596,498	5.1
Feed Wholesale	(118,320)	(118.0)	(1,806,235)	N/A
Retail	3,192,914,180	(3.3)	38,432,859,974	0.4
Mining Severance	(3,252,846)	N/A	(4,263,622)	N/A
Timber Severance	0	N/A	767,703	N/A
Hotel/Motel	137,699,796	(8.2)	1,659,760,985	(11.3)
Membership Camping	214,399	96.2	2,741,146	13.3
Use/Use Inventory	295,703,737	13.4	3,240,459,960	(17.4)
Rental Occupancy Tax	653,580	44.9	5,967,630	21.9
Agriculture Equipment	0	N/A	2,106,425	73.7
Total	\$6,342,219,123	(1.5)	\$75,586,874,582	(0.5)

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In June 2002, 28,477,961 gallons of jet fuel were taxed, a 51.0% increase from the 18,862,937 reported for June 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in June 2002 was \$1,613,455 a 3.9% increase from the \$1,552,715 claimed in June 2001. Accounting credits claimed-to-date in FY 01/02 equals \$18,147,043 a 9.1% increase from the \$16,636,653 claimed during the same period in FY 00/01.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>June 2002</u>	<u>June 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$199,732,370	\$198,878,320	0.4
5311-5399	general merchandise stores	245,627,252	317,042,298	(22.5)
5411-5499	food stores (no food sales)	263,838,554	264,618,982	(0.3)
5511-5521	motor vehicle dealers	605,209,721	718,049,609	(15.7)
5531-5599	misc. automotive, motorcycle & boat stores	169,316,667	144,003,999	17.6
5611-5699	apparel & accessory stores	193,660,990	192,977,483	0.4
5712-5733	furniture, home furnishings & equipment stores	157,218,867	162,297,841	(3.1)
5912-5949	misc. retail stores	211,003,841	206,771,768	2.0
TOTAL		\$3,192,914,180	\$3,302,017,419	(3.3)

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>Fiscal Year 2002</u>	<u>Fiscal Year 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$2,325,169,650	\$2,094,235,033	11.0
5311-5399	general merchandise stores	3,367,061,523	3,876,525,915	(13.1)
5411-5499	food stores (no food sales)	3,013,625,015	3,028,465,079	(0.5)
5511-5521	motor vehicle dealers	7,440,498,902	7,003,911,102	6.2
5531-5599	misc. automotive, motorcycle & boat stores	1,920,117,967	1,861,883,103	3.1
5611-5699	apparel & accessory stores	2,423,087,757	2,383,948,154	1.6
5712-5733	furniture, home furnishings & equipment stores	1,949,373,979	2,051,044,275	(5.0)
5912-5949	misc. retail stores	2,641,118,062	2,654,006,132	(0.5)
TOTAL		\$38,432,859,975	\$38,282,336,314	0.4

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for June 2002 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$207,334	\$315,132	0.7	\$3,808,535	(14.3)
Cochise	1,576,364	772,818	1.8	9,111,850	(5.0)
Coconino	2,989,429	1,203,397	2.8	13,695,680	(2.0)
Gila	743,991	347,955	0.8	4,087,916	(8.0)
Graham	343,887	199,467	0.5	2,366,529	(3.9)
Greenlee	52,557	121,285	0.3	1,794,359	(40.3)
La Paz	237,148	124,179	0.3	1,525,956	2.0
Maricopa	70,546,225	27,187,183	64.3	325,710,325	1.0
Mohave	2,791,990	1,156,898	2.7	13,293,460	2.2
Navajo	1,371,084	652,584	1.5	7,990,618	0.7
Pima	15,837,827	6,421,355	15.2	76,759,008	(3.5)
Pinal	1,936,044	1,088,101	2.6	12,467,448	(0.4)
Santa Cruz	623,888	273,312	0.6	3,275,822	(2.1)
Yavapai	3,091,014	1,390,604	3.3	16,504,368	(0.8)
Yuma	2,024,425	1,027,318	2.4	12,675,627	6.9
Total	\$104,373,207	\$42,281,586		\$505,067,501	(0.3%)

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for June 2002 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during June 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax	Capitol Projects	Tourism Authority
Apache		\$64,419							
Cochise		\$472,371							
Coconino		\$830,493	\$498,017						
Gila	\$252,143	\$230,904					\$42		
Graham		\$97,860							
Greenlee		\$41,246							
La Paz		\$71,217	\$71,164						
Maricopa	\$22,064,263		\$8,150,586	\$453,623	\$7,978				\$1,391,877
Mohave		\$408,760							
Navajo		\$388,137							
Pima				126,914		\$6,455			
Pinal	\$654,385	\$640,621							
Santa Cruz		\$176,895							
Yavapai		\$914,051	\$364,686						
Yuma		\$603,554	\$603,350					\$594,758	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in June 2002. The table compares the receipts to June 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	June 2002	June 2001	% Change
Spirituous	\$1,729,970	\$1,741,259	(0.7)
Vinous	704,245	635,303	10.9
Malt	1,944,689	1,856,205	4.8
Cigarette	13,060,923	14,498,681	(9.9)
Other Tobacco	306,631	314,010	(2.4)
Tobacco Licenses	2,175	1,275	70.6
Total	\$17,748,633	\$19,046,733	(6.8)

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Spirituous	\$21,574,744	\$21,327,540	1.2
Vinous	9,035,156	8,477,493	6.6
Malt	22,031,467	21,602,321	2.0
Cigarette*	154,031,325	154,562,374	(0.3)
Other Tobacco	3,553,712	3,469,758	2.4
Tobacco Licenses	5,250	8,600	(40.0)
Total	210,231,654	\$209,448,087	0.4

*Through June 2002, \$393,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	June 2002	FY (01/02)
Spirituous	\$1,210,979	\$15,102,321
Vinous	175,580	2,252,941
Malt	486,172	5,507,866
Cigarette	3,768,558	42,650,385
Other Tobacco	47,528	550,825
Tobacco Licenses	2,175	5,250
Total	\$5,690,992	\$66,069,587

Other dedicated revenues from luxury taxes:

	June 2002	FY (01/02)
Correction Fund revenues	\$2,512,652	\$26,043,241
Health Care Fund revenues	8,708,315	108,177,154
Wine Promotional Fund revenues	1,924	23,391
Drug Treatment & Education Fund revenues	597,560	7,098,014
Corrections Revolving Fund revenues	237,190	2,820,269

Estate Tax

	June 2002	\$4,821,671	Fiscal year To Date	\$80,552,220
	June 2001	<u>\$4,125,413</u>	Fiscal year To Date	<u>\$74,651,483</u>
% Change		16.9%	% Change	7.9%

Private Car

	June 2002	\$0	Fiscal year To Date	\$1,509,625
	June 2001	<u>\$0</u>	Fiscal year To Date	<u>\$1,349,685</u>
% Change		N/A	% Change	11.9%

Bingo

	June 2002	\$34,642	Fiscal year To Date	\$629,680
	June 2001	<u>\$32,241</u>	Fiscal year To Date	<u>\$634,384</u>
% Change		7.4%	% Change	(0.7%)

Unclaimed Property

	June 2002	(\$26,108,183)	Fiscal year To Date	\$7,656,006
	June 2001	<u>(\$14,681,722)</u>	Fiscal year To Date	<u>\$4,309,756</u>
% Change		(77.8%)	% Change	77.6%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2002 for Tax Year 2001
Through June 2002

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,491	0.7%	-\$14,752	\$5	19.5%	73.2%	4.9%	2.4%	15.1%	10.9%
\$0-\$5,000	48,496	21.8%	\$2,750	\$0	4.2%	83.9%	11.0%	0.9%	3.9%	15.8%
\$5,000-\$10,000	47,983	21.5%	\$7,390	\$24	8.3%	69.9%	20.5%	1.3%	6.7%	28.4%
\$10,000-\$15,000	33,917	15.2%	\$12,354	\$86	15.6%	53.5%	28.9%	1.9%	9.5%	40.6%
\$15,000-\$20,000	24,851	11.2%	\$17,350	\$162	21.9%	45.4%	30.0%	2.7%	9.7%	44.8%
\$20,000-\$25,000	16,643	7.5%	\$22,338	\$263	26.8%	40.3%	29.5%	3.4%	7.9%	48.4%
\$25,000-\$30,000	11,308	5.1%	\$27,337	\$399	29.8%	41.0%	24.9%	4.3%	7.7%	45.3%
\$30,000-\$40,000	13,848	6.2%	\$34,526	\$571	37.2%	38.3%	20.4%	4.1%	8.6%	44.1%
\$40,000-\$50,000	8,036	3.6%	\$44,594	\$804	47.4%	33.5%	15.6%	3.5%	11.1%	43.8%
\$50,000-\$75,000	9,667	4.3%	\$60,207	\$1,178	62.2%	25.7%	9.8%	2.3%	13.4%	45.7%
\$75,000-\$100,000	3,380	1.5%	\$85,388	\$1,872	71.6%	20.1%	6.5%	1.9%	15.3%	44.6%
\$100,000-\$200,000	2,597	1.2%	\$130,124	\$3,374	73.7%	19.4%	5.4%	1.5%	17.4%	40.6%
\$200,000-\$500,000	437	0.2%	\$283,454	\$9,828	71.9%	20.5%	5.7%	1.8%	20.5%	36.8%
\$500,000-\$1,000,000	56	0.0%	\$662,722	\$27,181	57.9%	31.6%	8.8%	1.8%	24.6%	22.8%
\$1,000,000 and over	30	0.0%	\$2,561,663	\$112,507	58.8%	17.6%	14.7%	8.8%	20.6%	29.4%
Total	222,740		\$19,215	\$301	20.1%	57.3%	20.5%	2.1%	7.9%	34.3%

NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000

Total	239,848		\$19,759	\$353	18.8%	59.7%	19.2%	2.3%	7.5%	31.4%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
June 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,761,866	202,705
Eagar	\$35,054	4,033	Surprise	268,124	30,848
Springerville	17,140	1,972	Tempe	1,378,733	158,625
St. Johns	28,413	3,269	Tolleson	43,233	4,974
<u>Cochise County</u>			Wickenburg	44,172	5,082
Benson	40,947	4,711	Youngtown	26,162	3,010
Bisbee	52,933	6,090	<u>Mohave County</u>		
Douglas	124,397	14,312	Bullhead City	293,513	33,769
Huachuca City	15,219	1,751	Colorado City	28,978	3,334
Sierra Vista	328,332	37,775	Kingman	174,435	20,069
Tombstone	13,072	1,504	Lake Havasu City	364,516	41,938
Willcox	32,446	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	42,737	4,917
Flagstaff	459,743	52,894	Pinetop-Lakeside	31,134	3,582
Fredonia	9,005	1,036	Show Low	66,883	7,695
Page	59,182	6,809	Snowflake	38,765	4,460
Williams	24,702	2,842	Taylor	27,605	3,176
<u>Gila County</u>			Winslow	82,746	9,520
Globe	65,067	7,486	<u>Pima County</u>		
Hayden	7,753	892	Marana	117,826	13,556
Miami	16,827	1,936	Oro Valley	258,146	29,700
Payson	118,382	13,620	Sahuarita	28,179	3,242
Winkelman	3,850	443	South Tucson	47,718	5,490
<u>Graham County</u>			Tucson	4,230,277	486,699
Pima	17,288	1,989	<u>Pinal County</u>		
Safford	80,242	9,232	Apache Junction	276,520	31,814
Thatcher	34,958	4,022	Casa Grande	219,241	25,224
<u>Greenlee County</u>			Coolidge	67,674	7,786
Clifton	22,564	2,596	Eloy	90,177	10,375
Duncan	7,058	812	Florence	125,561	14,446
<u>La Paz County</u>			Kearny	19,548	2,249
Parker	27,292	3,140	Mammoth	15,315	1,762
Quartzsite	29,152	3,354	Superior	28,283	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	311,887	35,883	Nogales	181,467	20,878
Buckeye	73,854	8,497	Patagonia	7,657	881
Carefree	25,441	2,927	<u>Yavapai County</u>		
Cave Creek	32,403	3,728	Camp Verde	82,146	9,451
Chandler	1,534,802	176,581	Chino Valley	68,100	7,835
El Mirage	66,136	7,609	Clarkdale	29,743	3,422
Fountain Hills	175,878	20,235	Cottonwood	79,782	9,179
Gila Bend	17,210	1,980	Jerome	2,860	329
Gilbert	953,461	109,697	Prescott	294,981	33,938
Glendale	1,901,864	218,812	Prescott Valley	204,561	23,535
Goodyear	164,370	18,911	Sedona	88,587	10,192
Guadalupe	45,441	5,228	<u>Yuma County</u>		
Litchfield Park	33,116	3,810	San Luis	133,175	15,322
Mesa	3,445,202	396,375	Somerton	63,154	7,266
Paradise Valley	118,764	13,664	Wellton	15,897	1,829
Peoria	941,875	108,364	Yuma	673,743	77,515
Phoenix	11,482,224	1,321,045			
Queen Creek	37,514	4,316	TOTAL	\$35,156,381	4,044,788

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
June 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,307,669	202,705
Eagar	\$26,017	4,033	Surprise	199,003	30,848
Springerville	12,722	1,972	Tempe	1,023,305	158,625
St. Johns	21,089	3,269	Tolleson	32,088	4,974
<u>Cochise County</u>			Wickenburg	32,784	5,082
Benson	30,391	4,711	Youngtown	19,418	3,010
Bisbee	39,287	6,090	<u>Mohave County</u>		
Douglas	92,328	14,312	Bullhead City	217,847	33,769
Huachuca City	11,296	1,751	Colorado City	21,508	3,334
Sierra Vista	243,690	37,775	Kingman	129,467	20,069
Tombstone	9,702	1,504	Lake Havasu City	270,546	41,938
Willcox	24,082	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	31,720	4,917
Flagstaff	341,224	52,894	Pinetop/Lakeside	23,108	3,582
Fredonia	6,683	1,036	Show Low	49,641	7,695
Page	43,925	6,809	Snowflake	28,772	4,460
Williams	18,334	2,842	Taylor	20,489	3,176
<u>Gila County</u>			Winslow	61,414	9,520
Globe	48,293	7,486	<u>Pima County</u>		
Hayden	5,754	892	Marana	87,451	13,556
Miami	12,489	1,936	Oro Valley	191,597	29,700
Payson	87,864	13,620	Sahuarita	20,914	3,242
Winkelman	2,858	443	South Tucson	35,417	5,490
<u>Graham County</u>			Tucson	3,139,740	486,699
Pima	12,831	1,989	<u>Pinal County</u>		
Safford	59,556	9,232	Apache Junction	205,235	31,814
Thatcher	25,946	4,022	Casa Grande	162,722	25,224
<u>Greenlee County</u>			Coolidge	50,228	7,786
Clifton	16,747	2,596	Eloy	66,930	10,375
Duncan	5,238	812	Florence	93,192	14,446
<u>La Paz County</u>			Kearny	14,509	2,249
Parker	20,256	3,140	Mammoth	11,367	1,762
Quartzsite	21,637	3,354	Superior	20,992	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	231,485	35,883	Nogales	134,686	20,878
Buckeye	54,815	8,497	Patagonia	5,683	881
Carefree	18,882	2,927	<u>Yavapai County</u>		
Cave Creek	24,050	3,728	Camp Verde	60,969	9,451
Chandler	1,139,140	176,581	Chino Valley	50,544	7,835
El Mirage	49,086	7,609	Clarkdale	22,076	3,422
Fountain Hills	130,538	20,235	Cottonwood	59,215	9,179
Gila Bend	12,773	1,980	Jerome	2,122	329
Gilbert	707,666	109,697	Prescott	218,937	33,938
Glendale	1,411,576	218,812	Prescott Valley	151,826	23,535
Goodyear	121,997	18,911	Sedona	65,750	10,192
Guadalupe	33,726	5,228	<u>Yuma County</u>		
Litchfield Park	24,579	3,810	San Luis	98,844	15,322
Mesa	2,557,052	396,375	Somerton	46,874	7,266
Paradise Valley	88,148	13,664	Wellton	11,799	1,829
Peoria	699,066	108,364	Yuma	500,056	77,515
Phoenix	8,522,184	1,321,045	TOTAL	\$26,093,302	4,044,788
Queen Creek	27,843	4,316			

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